

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

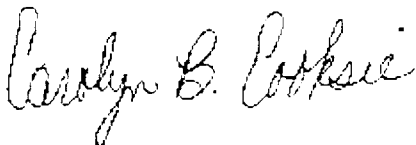
Notice FC-115

1940-L

For: State and County Offices

FY 1997 Direct Operating Loan Funds

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A

Background

Unobligated FY 1997 allocations of non-Socially Disadvantaged Applicant (SDA) Direct Operating loan funds will be pooled from each State Office. This pooling action ensures that all available loan funds are used before the end of FY.

B

Purpose

This notice provides:

- date pooling action will be accomplished
- information on disposition of pooled loan funds
- guidance on assisting FSA customers in seeking alternative credit.

2 Pooling of Direct Operating Loan Funds

A

**Unobligated
Allocations**

Effective COB May 9, 1997, unobligated allocations of non-SDA Direct Operating loan funds will be pooled.

Continued on the next page

Disposal Date

October 1, 1997

Distribution

State Offices; State Offices relay to County
Offices

4-17-97

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2 Pooling of Direct Operating Loan Funds (Continued)

B **Requesting** **Funds**

All pooled funds will be held in the National Reserve. Requests for reserve funds require:

- name of applicant
 - amount of loan
 - date of initial application.
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3 Availability of Alternative Credit Sources

A **Alternative** **Sources**

The demand for direct operating loan funds will exceed the funds available in FY 1997.

Because of limited availability of direct operating loan funds, efforts must be increased to assist applicants in using other sources of credit.

Priority in using alternative credit sources is as follows:

Priority	Alternative Credit Sources
1	Commercial credit without FSA guarantee
2	Commercial credit with FSA guarantee
3	Subordinations to permit another lender to provide credit
4	As a last resort, a direct operating loan

B **Contact**

Direct questions regarding this notice to LMD, through the Area Office.
